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BRIEFS AND COMMENTS

OPEC: Price Outlook

Several members of the Organization of Petroleum Exporting Countries have indicated that crude oil prices will be raised again when the cartel's oil ministers meet in June. Even with OPEC's current production running at an estimated 31 million barrels per day, demand has caused spot prices to remain at \$3 to \$5 per barrel above official OPEC prices including surcharges.

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Indonesia will increase the prices of its crudes--currently underpriced compared to competing Middle East crudes--by 50 cents to \$1 per barrel, effective Tuesday. An official of Venezuela's national petroleum agency indicated that Caracas will increase its surcharge by 60 cents per barrel to bring it into line with the prices of other OPEC members. It is unclear when this increase will be effective. Earlier this year, protests by the oil companies resulted in Venezuela's decision to hold back implementation of an unscheduled price increase until the second quarter.

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USSR: Reactions to Chinese SALT Offer

The Soviets have decided not to complicate the final stages of the SALT II negotiations by exploiting China's offer to monitor Soviet strategic weapons programs on behalf of the US. Recent Soviet commentary has highlighted the official US dissociation from exchanges on this subject between Vice Chairman Deng Xiaoping and a US Congressional delegation. [REDACTED]

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Instead, the Soviets attacked the Chinese again for trying to undermine disarmament negotiations between the US and the USSR. Authoritative *Pravda* commentator Yuriy Zhukov charged yesterday that Beijing is trying to manipulate the verification issue to obtain sophisticated military technology from the US. [REDACTED]

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25X1 The possibility of imminent summit talks as well as the current sensitive state of the SALT process presumably dictated the Soviet decision to avoid unnecessarily antagonizing the US. At the same time, the Soviets have clearly reserved the option of holding the US responsible if the Chinese intrusion sours the talks. [REDACTED]
[REDACTED]

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FRANCE-USSR: Giscard Visit to Moscow

During French President Giscard's three-day visit to Moscow starting tomorrow, both sides can be expected to maintain that conciliation and cooperation are flourishing. But serious differences divide them, and--except for matters of trade and industrial development--Giscard and his hosts may find it difficult to do much more than agree to disagree.

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French policy toward China is the current main point of friction. France believes that China must be reintegrated into the international arena and is keen on developing strong commercial and political ties. The USSR--profoundly disturbed by the specter of a China welcomed into the international community and provided with advanced technology and weapons--has warned France repeatedly of the dangers in moving closer to China. The Soviets have even hinted that detente could be disrupted if the French persist. France has pledged not to sell China "offensive" weapons but gives no sign of compromising its independent foreign policy by changing its strategy toward China.

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Other issues exist--French policy toward Romania, Africa, and disarmament, for example--but on these the two sides may simply finesse their differences.

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Trade and industrial cooperation probably offer the best chance for positive results. The two sides will probably sign a new trade agreement and may reach agreement on a long-term industrial cooperation pact.

Given the range of sticky issues, France and the USSR are not likely to resolve their differences in the immediate future; their relations could even cool in the short run. Over the longer term, however, there is much that will continue to draw the two countries together, and there is no indication that they intend to abandon the "special" link they have shared since De Gaulle's day. Paris and Moscow are highly skilled at putting the best face on things, and both sides will go to considerable lengths during Giscard's visit to show that, at least superficially, relations are on an even keel.

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UAE: Move Toward Stronger Government

The resignation of the cabinet yesterday in the United Arab Emirates was the first step in implementing a political compromise intended to strengthen the government of this loose federation of seven small shaykhdoms. The tugging and hauling among the seven rulers over the powers of the central government is not over, however, as significant personality and policy differences remain.

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The UAE's first eight years have been marked by feuding over the efforts of President Zayid, who is also the ruler of Abu Zaby, to establish a strong central government. Several shaykhs resent Abu Zaby's dominance built on its greater oil wealth, and they have resisted loss of individual prerogatives. Among the most hotly debated issues are unification of the federation's armed forces, pooling of revenues, and stricter immigration policies.

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The revolution in Iran has stimulated fears within the federation and among other conservative rulers in the region that the UAE is particularly vulnerable to foreign-inspired unrest. Kuwait's Deputy Prime Minister, concerned that all the Persian Gulf monarchies would be affected by unrest in the UAE, was particularly active in composing the differences between Zayid and Shaykh Rashid of Dubai, the chief opponent of greater federal powers. Rashid is expected to be named the new prime minister, which theoretically will give him more influence on internal policies. Shaykh Sultan of Sharjah reportedly will become vice president.

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NEPAL: Antigovernment Actions

Student and labor unrest is presenting Nepal's monarchy with its most serious political problem in nearly two decades. While the government does not appear immediately threatened, its longer term prospects will be affected by young King Birendra's handling of the current difficulties and his treatment of the basic problems that provoked them. [REDACTED]

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Violent clashes between police and striking Kathmandu University students this week resulted in numerous injuries and perhaps several deaths. The government has arrested many students and closed the University indefinitely. Workers reportedly joined students in at least one clash with police, and some 12,000 laborers are striking in a southern Nepalese city. Antigovernment sentiment focuses on several issues beyond the greater political freedom demanded by the students, including corruption within the palace and inflation. The growing dissent has also been fueled by the unexpected execution in February of two activists of the banned Nepali Congress Party, the country's largest political party, on charges of terrorism and treason. [REDACTED]

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The government has been relatively restrained in dealing with the unrest, and King Birendra is inclined to compromise in the face of political opposition. Hardliners within the royal family and among Birendra's advisers, however, can be expected to argue that Nepal's monarchy will follow Iran's if the King does not act forcefully. [REDACTED]

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The leader of the Nepali Congress Party, former Prime Minister B. P. Koirala, told the US Ambassador last week that he opposes the violence and still seeks a reconciliation that would retain the monarchy but institute parliamentary democracy. [REDACTED]

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NAMIBIA: Lack of Internal Agreement

South Africa's continuing delay in responding to the latest Western proposals on the UN truce plan for Namibia may stem in part from disagreements among Namibian political leaders over the role of an interim government. The Namibian National Front, which did not participate in the election for a constituent assembly in December, apparently sees an interim government as a caretaker authority that would cooperate with efforts to gain an international settlement. The Democratic Turnhalle Alliance, the South African-backed coalition that holds 80 percent of the seats in the assembly, views an interim government as the best way of moving toward an independent Namibia that it would lead. The South Africans had hoped to gain a quick consensus on an interim government in order to strengthen their hand in further negotiations with the UN. Until they are convinced that the Democratic Turnhalle Alliance can forge arrangements for an interim government that would assure its victory in a UN-sponsored election, the South Africans will probably continue to stall.

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TURKEY: Parliament Approval of Martial Law

The Turkish legislature yesterday approved the government's request for a two-month renewal of martial law and its extension to six more provinces, predominantly in the troubled Kurdish area. Nineteen of the country's 67 provinces are now covered. Despite widely divergent views in his party and in the legislature as a whole on martial law, Prime Minister Ecevit managed to hold his deputies in line and to pick up support from independents and the opposition neofascist National Action Party. The other two principal opposition parties voted against the renewal and claimed that the government's administration of martial law was too lax. With this victory, Ecevit has bought some time, but he still lacks a dependable majority in the legislature and a cabinet able to deal with Turkey's pressing problems.

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SPECIAL ANALYSIS

RHODESIA: Status of Blacks

The legislation passed early this year banning racial discrimination in Rhodesia has had only a minor impact on the almost 7 million blacks. The new government to be installed as a result of the recent elections will be heavily influenced if not controlled by the country's white minority, and it will move cautiously in implementing further social change.

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During the past two years, the government seemingly has made an effort to bring more blacks into public service jobs; the number of blacks employed in public administration, education, and health has increased by 7 percent and blacks now hold about 76 percent of these jobs. More than 90 percent of these blacks, however, are classified as "employees," meaning that they hold low-ranking jobs such as messengers and clerks. In early 1978, only 1,400 blacks occupied "administrative" positions and none held top departmental posts.

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White Rhodesians apparently do not follow South Africa's practice of distinguishing between jobs that may be performed by blacks and those reserved for whites. As a result, Rhodesian blacks--among the best educated in Africa--have had greater opportunity to seek higher paying jobs. In recent years, some have moved into certain junior administrative posts vacated by whites called up for military service.

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The military leadership has been working toward "Africanization" of the security forces since 1977 when it opened the officer corps to blacks and initiated efforts to recruit more blacks to reduce the burden on white reservists. Over the past two years, the number of black soldiers has trebled, and some 400 blacks are said to complete the six-month basic training program every month. Blacks were drafted into the military beginning in January.

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On 2 February, legislation went into effect banning racial discrimination in public education, hospitals, and residential areas. The legislation also made it an offense to practice discrimination in admission to public facilities such as hotels, restaurants, and movie theaters. Only a very small number of blacks however, can afford to move into white neighborhoods, send their children to previously white schools, or seek medical care in the best hospitals. [redacted]

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Of some 1 million black wage earners, only 10,000 are believed to earn \$5,000 a year, which is generally considered the minimal salary to buy or rent a house in a white suburb. Real estate agents have reported no major influx of black families into white suburbs; the exception is Waterfalls--a suburb of Salisbury close to the sprawling black township of Highfields--where houses cost \$12,000 or less. [redacted]

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The new multiracial education system is not scheduled to go into effect until next month, but a small number of blacks have already enrolled their children in white schools. Education opportunities for black children are still limited, however, because school fees have been raised and because parents must own or rent property in the school district in which they enroll their children. [redacted]

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Blacks are concerned that provisions of the education statute that allow a cultural or ethnic group to establish its own "community school" will be used against blacks. Under the statute, students cannot be barred solely on the grounds of race but can be kept out if parents believe the "character" of the school would be undermined by admitting too many children from outside the ethnic or cultural group that is in the majority in the school. Parents are to have control over admissions in the community schools, but the government will continue to pay the teachers. [redacted]

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Fee differentials are likely to restrict most blacks to hospitals formerly reserved for blacks. The white hospitals are better staffed and equipped, and their fees usually are well above what most blacks can afford. In the black hospitals, many patients pay only 75 cents per day. [redacted]

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//The legislature has repealed the Land Tenure Act, which reserved over half of Rhodesia's land--including the most productive acreage--to the 6,000 white farmers, but blacks lack the capital to purchase such lands.

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Although whites are guaranteed only 28 of 100 seats in the new House of Assembly and 10 of 30 seats in the Senate, they will retain substantial influence in the new government. None of the important clauses in the new constitution can be amended or deleted without the approval of 78 members of the House, which would require the votes of six whites and all the black members. These "entrenched clauses" will remain in effect for at least 10 years, after which a commission composed of three whites and two blacks will be empowered to recommend changes.

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The constitution also states that cabinet posts will be allocated according to each party's strength in the House of Assembly, a provision that guarantees Prime Minister Smith's party at least four positions in the new cabinet.

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Whites should be able to retain effective control over the legislative process through the mechanism of Legal Committees. Under the constitution, Legal Committees--staffed entirely by whites--in both the House and Senate will review all legislation before it goes to the floor to ensure that it is in accord with the constitution.

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The new constitution also ensures continued white domination of the civil service, judiciary, police, and military by establishing criteria such as senior rank, longevity, and "efficiency and suitability" for appointment to top positions.

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